



Chapter 2 Regional Context

Cluster 2 Asset Profile

Economic Overview

The City of Detroit is a part of the larger regional economy and shares its future as it relates to employment opportunities. For this reason it is important to understand the context within which cluster residents pursue employment and training as a part of job center planning. In September 1997, the Michigan Employment Security Agency prepared basic planning data to assist state workforce agencies in completing economic and labor needs analysis. This information as well as data generated by the City of Detroit's Employment and Training Department help to provide an understanding of Detroit's role within the regional economy.

Labor Force

The number of persons in the labor force is defined as the employed, the unemployed, and those actively seeking work. In 1996, the total labor force for the city of Detroit was 392,925. This represents 19.1% of the regional labor force total of 2,051,164. The labor force participation rate for the City of Detroit was 55.0%, lower than both the Michigan rate of 65.4% and the national rate of 66.4 %. Of Detroit's labor force total, 35,250 were estimated to be unemployed for an unemployment rate of 9.0%. At the same time youth unemployment, for ages 16 to 19 years old, was 23.9% and 21.0% for males and females, respectively

Employment Structure

Within the regional labor job market, growth has occurred in a number of industrial categories. The trend from 1991 to 1996 shows that service jobs in the region increased so that they represent 30% of the total jobs, a rate higher than the state at 26.8% and the nation at 28.7%. Construction employment also increased. During the same period of time, the areas of employment represented by manufacturing, wholesale trade, finance, insurance, real estate, and government services significantly declined in relative terms.

Labor Demand

Nearly 75% of employment growth among the top ten industries is concentrated in service producing industries. The top growth industry, business services, reflects employment expansion among firms providing services in personnel supply, computer programming, advertising; mailing, stenographic, and building cleaning and maintenance. These growth industries reflect a need for management/supervisory, clerical semi-skilled manufacturing, skilled trades, and janitorial workers.

**Top Ten Industries with Largest Employment Growth
1991 to 1996**

Labor Market Area Industries	Total Growth
Business Services	51,000
Educational Services	20,000
Engineering, Accounting, Mgmt. Services	17,000
Eating and Drinking	16,000
Special Trade Contractors	13,000
Motor Vehicles and Equipment	13,000
Social Services	10,000
Fabricated Metal Products	9,000
Wholesale Trade – Durable Goods	8,000
Rubber and Plastic Products	6,000

Labor Supply

Currently, the decline in unemployment in Detroit and in the region as a whole has resulted in a tightening of the labor supply. Additionally, since 1994, the Michigan Department of Education has recorded a decline in Wayne County of high school, community college and university graduates. In areas of high job demand, professional, technical, managerial and machine trade occupations there is a lower supply of labor. At this time there seems to be a large concentration of labor availability in sales, clerical and service occupations.

Area Training

In support of the assumption that Detroit is a part of a larger labor market area, a significant proportion of trained Detroit residents find employment in suburban locations. According to information provided by the City of Detroit's Employment and Training Department, 2,442 persons trained through City-sponsored programs (1996-1997) found employment in Detroit's regional labor market. Of this total, 57% or 1,402 persons found employment within the City of Detroit, 16% or 390 persons in the balance of Wayne County, 15% or 356 persons in Oakland County, and 8% or 200 persons in Macomb County. The remainder of 4% or 94 persons did not accurately designate their location of employment.

Area Training Facilities

Post-Secondary Education Training Institutions

Name	Street Address	City	State	Zip
Wayne County Community College	801 W. Fort Street	Detroit	MI	48226
Wayne State University	4298 Faculty Admin. Bldg.	Detroit	MI	48202
Center for Creative Studies	201 E. Kirby	Detroit	MI	48202
Center for Humanistic Studies	40 E. Ferry Avenue	Detroit	MI	48202
Detroit College of Law	130 E. Elizabeth	Detroit	MI	48201
Ecumenical Theological Seminary	2930 Woodward Avenue	Detroit	MI	48201
Jordan College	15400 Grand River, D-1	Detroit	MI	48227
Lewis College of Business	17370 Myers Road	Detroit	MI	48235
Marygrove College	8425 W. McNichols	Detroit	MI	48221
Sacred Heart Major Seminary	2701 Chicago Boulevard	Detroit	MI	48206
U of Detroit- Mercy	4001 W. McNichols	Detroit	MI	48219

Source: Michigan Department of Education

Vocational Education Training Institutions

Name	Street Address	City	State	Zip
Alma's Barber & Beauty College	20001 Livernois	Detroit	MI	48221
American Building Trades	20225 Livernois	Detroit	MI	48221
American Technologies Institute	10711 W. McNichols	Detroit	MI	48221
Brock Cosmetology University	14750 Plymouth Road	Detroit	MI	48221
Byron's School of Floral Arts	11851 Woodward	Detroit	MI	48203
Career Development Center	5961 14th Street	Detroit	MI	48208

Crockett Vocational Center	571 Mack	Detroit	MI	48201
Debbie's School of Beauty	14242 Gratiot	Detroit	MI	48205
Delyda's Tutoring School	15622 Log Cabin	Detroit	MI	48238
Depatis Floral School	13981 Meyers Road	Detroit	MI	48227
Detroit Business Institute	1249 Washington Blvd.	Detroit	MI	48226
Detroit Practical Nursing Center	20119 Wisconsin	Detroit	MI	48221
Focus: Hope Machinist Training	1200 Oakman Boulevard	Detroit	MI	48202
Grand Sorrento Beauty School	13000 Grand River	Detroit	MI	48227
Henry Ford Hospital	2921 W. Grand Boulevard	Detroit	MI	48202
JTPA School of Practical Nursing	735 Griswold	Detroit	MI	48226
Kettering High Schl. Cosmetology	6101 Van Dyke	Detroit	MI	48213
Krainz Woods Academy/ Med Lab	4327 E. Seven Mile Road	Detroit	MI	48234
Mauricios School of Cosmetology	16705 E. Warren	Detroit	MI	48224
MI. Inst. of Therapeutic Hypnosis	18700 Woodward Avenue	Detroit	MI	48203
Michigan Barber College	8990 Grand River Avenue	Detroit	MI	48204
Michigan Career Institute	14520 Gratiot	Detroit	MI	48205
Michigan College of Beauty	15520 W. Warren	Detroit	MI	48228
Michigan Paralegal Institute	615 Griswold	Detroit	MI	48226
Midwest Careers Institute	660 Woodward Avenue	Detroit	MI	48226
Multi-Media Communications	P.O. Box 11439	Detroit	MI	48211
Multi-Training Systems, L.C.	18263 W. McNichols	Detroit	MI	48219
Payne-Pulliam School of Trade	2345 Cass Avenue	Detroit	MI	48201
Preston & Anna's Beauty School	12001 Grand River	Detroit	MI	48204
Quality Career Skills Labs	1772 E. Seven Mile Road	Detroit	MI	48203
RAM Technical Institute	8935 W. Eight Mile Road	Detroit	MI	48221
Redford School of Cosmetology	21431 Grand River	Detroit	MI	48219
Ross Medical Ed. Center	15670 E. Eight Mile Road	Detroit	MI	48205
Ross Technical Institute	1553 Woodward	Detroit	MI	48226

SER Business and Technical Inst.	9301 Michigan Avenue	Detroit	MI	48210
South Joy Beauty School	18713 Joy Road	Detroit	MI	48228
The Commercial Drivers License School	14601 Dequindre	Detroit	MI	48212
Virginia Farrell Beauty School	2444 W. Seven Mile Rd.	Detroit	MI	48219
Vocational Institute of Michigan	17421 Telegraph	Detroit	MI	48219
Breithaupt Voc-Tech Center	9300 Hubbell	Detroit	MI	48228
Crockett Voc-Tech Center	571 Mack Avenue	Detroit	MI	48201
Davis Vocational Center	10200 Erwin	Detroit	MI	48234
Golightly Vocational Center	900 Dickerson Avenue	Detroit	MI	48215
Randolph Vocational Tech Center	17101 Hubbell	Detroit	MI	48235

Source: Michigan Department of Education

Competing Commercial Market

For convenience shopping, residents in Cluster 2 indicate their preference for businesses in East Pointe, Roseville, and along Eight Mile Road.

The closest major shopping is offered at Eastland Center, located at Kelly and Vernier Roads in Harper Woods, adjacent to Cluster 2 boundaries. This major shopping contains over 1,500,000 square feet of retail space, anchored by Hudsons, JC Penney, Kohls and Montgomery Ward. Spin-off retail including restaurants, strip malls, movie theaters and auto repair have filled in along Vernier and Kelly, accruing another million square feet of retail space outside of the mall. Recent additions of big box development include a Circuit City and Home Depot chain development. These additions are a recognition of the strong market that is present in the immediate vicinity which includes Cluster 2, the Grosse Pointes, and Harper Woods.

Macomb Mall is located in Roseville at Gratiot and Masonic, within an easy drive of Cluster 2. Bus service is provided by SMART to the mall. Close proximity to the I-94 freeway and the market base of St. Clair Shores, Roseville and Warren makes the area highly attractive to national retailers. Anchored by Crowleys, Kohls and Sears, the center is small according to current standards at 850,000 square feet. Surrounding the mall, however, is a plethora of "big box" businesses, including every major home, office, electronics, and discount retailer. Combined, these businesses exceed the square footage of the mall. National chain restaurants and other businesses, such as copy centers have also located in the Gratiot corridor of Roseville.

Regional Housing Market

The competition for housing in the city of Detroit comes from Wayne, Oakland, and Macomb counties. The market area for housing is generally tied to employment centers, i.e. households locate within a reasonable distance to their place of work. According to SEMCOG (Southeast Michigan Council of Governments), approximately 96% of employees working in downtown Detroit, the city's employment center, live in the tri-county area. Thus, this is the regional context in which the market for housing in the city must be understood.

According to SEMCOG, in 1995, the tri-county region had a population of 3,924,558. The city of Detroit accounted for 25% of the population, or 990,407. This percentage is projected to decrease in the future as Macomb, Oakland, and the remainder of Wayne County grow in population while Detroit declines.

In terms of households, or occupied housing units, Detroit accounted for 360,477 (24%) of the region's 1,506,835 in 1995. As with population, this proportion is expected to decrease.

Looking at the building and demolition permits issued in the region over the past few years provides insight into recent construction activity. Since 1990, the city of Detroit has lost a total of 26,843 units, as demolition permits have exceeded construction permits ten-fold. While many of the demolished units were no doubt uninhabitable, the decline in the housing stock is still serious. During the same time period, the remaining market area added approximately 88,000 units.

The shortage of housing units in Detroit has caused an increase in the effective demand. Thus, the price of housing for newer, high quality units has increased. Newer housing units in the city are renting and selling at levels comparable to the competing region. The following two tables show the rent levels and sales prices for a sample of units within the market area.

Summary of For-Sale Supply

Area	Housing Sales Price Range	Average Starting Price
Greater Downtown	\$99,990 - \$300,000	\$144,000
Wayne County	\$94,900 - \$800,000	\$240,071
Macomb County	\$86,500 - \$370,000	\$174,006
Oakland County	\$94,990 - \$725,000	\$260,354
Sources:		
RealComp		
Detroit Free Press		

Summary of Rental Supply

Unit Type	Rental Range	Size Range	Rent/Sq Ft Range
Detroit			
Studio	\$255 - \$504	350 - 590	\$0.51 - \$0.95
One Bedroom	\$285 - \$1,100	450 - 968	\$0.43 - \$1.16
Two Bedroom	\$375 - \$1,450	600 - 1,700	\$0.47 - \$1.17
Three Bedroom	\$950 - \$3,000	1,800 - 3,700	\$0.53 - \$1.23
Wayne County			
One Bedroom	\$440 - \$690	650 - 706	\$0.68 - \$0.98
Two Bedroom	\$490 - \$770	785 - 1,100	\$0.55 - \$0.83
Three Bedroom	\$678	1,150	\$0.59
Macomb County			
Studio	\$610	550	\$1.11
One Bedroom	\$650 - \$770	750 - 930	\$0.76 - \$0.92
Two Bedroom	\$709 - \$1,699	950 - 1,250	\$0.76 - \$1.49
Oakland County			
One Bedroom	\$650 - \$800	725 - 835	\$0.90 - \$0.96
Two Bedroom	\$730 - \$1,025	950 - 1,400	\$0.73 - \$1.02
Three Bedroom	\$1,225 - \$1,325	1,200 - 1,250	\$1.02 - \$1.06

Transportation System

Cluster 2 has easy access to Macomb County via Gratiot Avenue, Groesbeck Highway and I-94 connections to north, south and downriver regions. It is an origin rather than a destination because of limited job centers and quality shopping. Gratiot (M-3) is a north-south state trunk line connecting the Central Business District through Cluster 2 to Macomb County, terminating in Port Huron. Groesbeck Highway (M-97) serves a long manufacturing corridor from the northwest corner of this cluster to Mount Clemens. Eight Mile Road (M-102) is an east-west trunkline providing Cluster 2's northern boundary and connecting to Western Oakland and Wayne County. It connects to I-94, I-75, US-10, and I-275. I-94 is a limited access expressway which provides the east boundary and regional and interstate connections. Mass transit opportunities through SMART and DDOT are available but not significantly used because job centers are not directly served without time-consuming transfers. A more in-depth discussion is offered in Chapter 9.

Youth Development

Young people in the metropolitan Detroit area are facing a wide variety of challenges in their efforts to be prepared for the 21st century. The higher levels of educational achievement required in order to compete in the current job market, increased levels of violence perpetrated by and upon youth, and the lower levels of funding available for educational and other youth related programming have only made it more difficult for young people to successfully develop into productive adults. The basic structure of the average family has also changed during the last twenty years due to higher divorce rates and the increased number of children born to single mothers. The combined effects of these factors have lead to increased levels of gang activity, poverty among children, and teenage pregnancy.

Issues that impact the lives of Detroit area youth including insufficient and inadequate recreational infrastructure, the low quality of educational opportunities available for the average student, the lack of

educational activities and programming for young people outside of school hours, and poor access to technology, ultimately impact the quality of life in the entire community. High drop out rates and truancy lead to high levels of unemployment, economic instability and crime in urban neighborhoods. Problems of this nature also contribute to suburban flight as young thriving families who can afford live outside of the city do so, especially as their children begin to reach school age. Currently, only twenty-six percent of the youth in the metro Detroit area live within the city of Detroit. More importantly, forty-six percent of those children live in poverty. The percentage of children living in poverty is the highest of any city in the United States. ("Status of Detroit Area Youth", Wayne State University) It is important that strategies be developed at the community level to provide young people with the necessary tools to become the leaders of tomorrow.

A number of agencies in the Detroit metropolitan area have been working to address the needs of local youth. Programs such as those offered by the local chapters of the Girl Scouts and Boy Scouts, YM&YWCA, Boys and Girls clubs, and other community service organizations are providing essential services for young people in the area.